

Message Text

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ACTION L-01

INFO OCT-01 SS-14 ISO-00 NEA-06 NSC-05 NSCE-00 INR-05

CIAE-00 SP-02 OMB-01 SCA-01 H-01 /037 W

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FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 5133

C O N F I D E N T I A L CAIRO 6887

LIMDIS

E.O. 11652: GDS

TAGS: EFIN CPRS PFOR EG

SUBJECT: US CLAIMS AGAINST EGYPT (THIRD MEETING OF JOINT COMMITTEE)

REF CAIRO 6831

1. THE THIRD MEETING OF THE JOINT COMMITTEE WAS HELD ON WEDNESDAY, JULY 9 AT UNDERSEC DEWIDAR'S OFFICE.

2. THE US SIDE INFORMED THE EGYPTIAN SECTION THAT THE AMBASSADOR HAD TALKED WITH DEP PM FONMIN FAHMY CONCERNING AMERICAN MISSION CASE, AND FONMIN HAD INDICATED HIS WISH THAT CASE AND OFFICIAL/GOVERNMENT CLAIMS SHOULD BE HANDLED THROUGH THE FOREIGN OFFICE WITH MOHAMED RIAD. THIS ANNOUNCEMENT SURPRISED EGYPTIAN OFFICIALS OTHER THAN DEWEDAR. DEWIDAR INFORMED EGYPTIAN REPRESENTATIVE OF MINISTRY OF AGRARIAN REFORM THAT AMERICAN MISSION CASE WOULD BE INDIRECTLY REFERRED BACK TO THEM ANYWAY.

3. DEWIDAR RECAPITULATED THE PROCEEDINGS OF THE PREVIOUS MEETING, AND QUALIFIED HIS REMARKS ON THE "IRREVOCABILITY" OF THE TNE CASES WHICH HAD BEEN REFERRED TO THE MINISTRY OF FINANCE PREVIOUSLY REPORTED BY STATING THAT THEY WERE OF COURSE SUBJECT TO DISCUSSION IN THE JOINT COMMITTEE. THIS WAS A UNILATERAL CONCESSION WITHOUT PRESSURE FROM US SIDE. IT WAS FURTHER AGREED THAT THE EGYPTIAN SECTOR STILL OWED THE US

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SIDE REQUESTED INFORMATION ON THE TEN CASES, WITH ARABIC

DOCUMENTS TRANSLATED INTO ENGLISH.

4. THERE WAS AGREEMENT ON THE DISPOSITION OF TWO CASES:
PLENTRL A(7) AGRICULTURAL LAND ONLY AND HAJJ A(16)
AGRICULTURAL LAND ONLY.

5. TWO ADDITIONAL CASES WERE TRANSFORMED FROM OTHER SECTIONS TO
SECTION A ON AGRICULTURAL LAND: SALLOUM E (16) AND
SALTOUN E(22). THERE WAS INCONCLUSIVE DISCUSSION
ON FOUR OTHER CASES: NADLER A(6) B(13); GUEUKMENIAN A(4);
ROELKER A(9); TORIEL A(15).

6. BALANCE OF SESSION WAS DEVOTED TO DISCUSSION OF
SEQUESTRATION CASES.

7. BENIM CASE B(5) EGYPTIAN SIDE NOTED THAT HE HAD ALREADY
BEEN COMPENSATED UNDER SEPTEMBER 13, 1971 AGREEMENT WITH
THE UNIED KINGDOM. US SIDE REQUESTED CHECK
TO ASCERTAIN WHETHER THE CLAIMS WERE IDENTICAL OR SEPARATE.

8. BESSO CASE B(6). EGYPTIAN SECTION NOTED THAT
THE BESSO FAMILY HAD BEEN COMPENSATED UNDER EGYPTIAN
AGREEMENT WITH GREECE OF SEPTEMBER 26, 1966. US SIDE RESPONDED
THAT THIS CASE WAS DEPENDENT ON THE FACTS AND WOULD ABIDE BY
EVIDENCE PRODUCED BY EGYPTIAN SECTION TO THAT EFFECT.

8. GREEN CASES: D(16) D(39) D(40) D(41). EGYPTIAN
SECTION IS STILL SEEKING INFORMATION ON BLOCKED ACCOUNTS.

9. DJEDDAH CASES E(4). EGYPTIAN SIDE STILL HAS NO
INFORMATION. BOTH SIDES ORALLY REPEATED WRITTEN DATA
ALREADY CONTAINED IN L LIST.

10. THE US SIDE PLACED ON RECORD THE DISTINCTION BETWEEN
BLOCKED ACCOUNTS CONSISTING OF PROCEEDS FROM
SEQUESTRATION, NATIONALIZATION OR EXPROPRIATION AND ORDINARY
MONIES BLOCKED UNDER FOREIGN EXCHANGE CONTROLS AND
RESTRICTIONS. WITH REGARD TO THE FORMER, THE US SIDE WAS
OF THE VIEW THAT THEY WOULD LIKE TO SEE THESE BLOCKED
ACCOUNTS RELEASED AND TRANSFERRED, ALTHOUGH THE US SIDE
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WOULD LIKE TO SEE ALL BLOCKED ACCOUNTS OF US CITIZENS
RELEASED AND TRANSFERRED WITHOUT DISTINCTION.

11. HABACHY CASE E(8). EGYPTIAN SIDE CLAIMS THAT THEY
WERE EGYPTIAN NATIONALS UNTIL 1967 AND THAT THE SEQUESTRATION
AND NATIONALIZATION HAD TAKEN PLACE WHILE THEY WERE SUCH AND
THEREFORE THERE WAS NO LEGAL BASIS FOR FILING CLAIMS.
SEQUESTRATION HAD TAKEN PLACE UNDER LAW NO 138 OF 1961,

AND NATIONALIZATION PURSUANT TO LAW NO 15 OF 1964. BOTH LAWS APPLIED TO EGYPTIAN NATIONALS AND FOREIGNERS ALIKE, AND FOR PROPERTY SOLD UNDER LAW NO 150 OF 1964, COMPENSATION IS IN THE FORM OF NOMINAL 15-YEAR 4 PERCENT INTEREST STATE BONDS HAD BEEN ISSUED. THE EGYPTIAN SIDE FURTHER ASSERTED THAT THE HABACHYS LEFT EGYPT ILLEGALLY WITHOUT THE CONSENT OF THE EGYPTIAN GOVERNMENT AND THEREFORE, IN CONTEMPLATION OF EGYPTIAN LAWS WERE STILL EGYPTIAN NATIONALS. MOREOVER, UNDER THE LAW NO 69 OF 1974, THEY COULD RETURN TO EGYPT AS NON-RESIDENTS AND COLLECT COMPENSATION UP TO LE 100,000.

12. THE US SIDE REPLIED THAT THIS CASE WAS ONE OF DUAL US/EGYPTIAN NATIONALITY AND DOMINANT/EFFECTIVE NATIONALITY AS IN THE NADLER CASE PREVIOUSLY DISCUSSED. THE HABACHYS WERE NATURALIZED US CITIZENS IN 1962 AND 1963. THEY DEPARTED EGYPT IN 1956 AND EMIGRATED TO THE US TO ESTABLISH PERMANENT HOMES THERE. THEY NEVER RETURNED OR VISITED EGYPT UNTIL 1971 WHEN THEY VISITED EGYPT FOR SHORT PERIODS AS TOURISTS. ALL THEIR MAJOR CONTACTS WERE WITH THE US WHERE THEY BOUGHT HOMES AND RECEIVED THEIR EDUCATION. THEY DID NOT WISH TO SURRENDER THEIR US CITIZENSHIP, OR TO RETURN AS RESIDENT ALIENS TO STAY IN EGYPT. THEY HAVE REFUSED TO ACCEPT AND CASH THE CHECK FROM THE EGYPTIAN GOVERNMENT FOR EL30,000. IN ADDITION, THEIR CLAIMS TOTALLED MORE THAN EL 100,000 AVAILABLE UNDER LAW NO 69 OF 1974. THE DISCUSSION WAS INCONCLUSIVE AND POSTPONED.

13. SAKELLARIDES CASE D (26) . SUBJECT TO FURTHER CHECKING BY EGYPTIAN SECTION.

14. ZELNICK CASE B(18). EGYPTIAN SECTION REQUESTED CONFIDENTIAL

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ADDITIONAL INFORMATION.

15. SACHS CASE B(19). SUBJECT TO FURTHER INVESTIGATION BY EGYPTIAN SECTION.

16. THE EGYPTIAN SIDE SUPPLIED DETAILS OF THE FOLLOWING SIX NEW CASES:

A. JACK PAUL HENRY MENASCHE AND GEORGETTE FRAN MENASCHE. FILE NO 309/2. AMOUNTS NET EL 19,658 FOR HUSBAND AND EL 41,022 FOR WIFE.

B. JOSEPH JACK SETON, FILE NO 338/2, NET AMOUNT EL 93,286.

C. ROBERT DAVID ARIPOLE, FILE NO 40/3, NET AMOUNT
EL 7,935.

D. FOUAD KALIL SAAB, FILE NO 197/3, NET AMOUNT
EL 6,217.

E AND F. JACQUELINE LEON CHALDEJEAN AND ROBERT LEON
CHALDEJEAN. FILE NO 193/5. SETTLED AND PAID.

17 THE US SIDE REQUESTED DETAILS FOR GROSS AMOUNTS AND
LIABILITIES FOR EXAMINATION.

18. DEWIDAR STIPULATED THAT FOR PURPOSES OF VERIFICATION
IN THE JOINT COMMITTEE THE CASES LISTED IN SECTION C OF THE
LIST BE DEEMED AS NATIONALIZATION CASES. US SIDE
AGREED. DEWIDAR POINTED OUT THAT IN SOME CASES OF
NATIONALIZATION AND SEQUESTRATION, DURING THE PERIOD
1961-1964 STATE BONDS HAD ALREADY BEEN ISSUED IN
COMPENSATION. IN OTHER CASES, NO COMPENSATION OF ANY KIND
HAD BEEN PAID. THE SHARES OF THE NATIONALIZED COMPANIES
MAY NO LONGER BE AVAILABLE. THERE WAS THE PRACTICAL
PROBLEM OF IDENTIFICATION. ANY VALUATION OF THESE SHARES
WOULD BE APPROXIMATE.

19. NEXT FOURTH MEETING OF JOINT COMMITTEE IS
SCHEDULED FOR THURSDAY, JULY 10 TO CONSIDER SECTION E
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MISCELLANEOUS CASES.
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Message Attributes

Automatic Decaptioning: Z
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Draft Date: 12 JUL 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
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Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
Disposition Reason:
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